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Commissioner of Securities and Insurance
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Attorneys for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:)	
)	CASE NO. INS-2015-348
HCC LIFE INSURANCE COMPANY;)	
HCC MEDICAL INSURANCE)	CONSENT AGREEMENT AND
SERVICES, LLC; STARR INDEMNITY)	FINAL ORDER RE:
& LIABILITY COMPANY; USHEALTH)	TERRY M. ALVARADO
GROUP; NATIONAL FOUNDATION)	
LIFE INSURANCE COMPANY;)	
COVERAGE ONE INSURANCE)	
GROUP, LLC; DAVID H. ETTINGER;)	
BETH ETTINGER; KARL BECKER;)	
HEALTH BENEFITS ONE, LCC;)	
MATTHEW E. SPIEWAK; DANIELLE)	
BRETTI; QUICK QUOTE US LLC;)	
MICHAEL S. HILF; TERRY M.)	
ALVARADO; MICHAEL K.)	
BORCHERS; PEDRO J. COLON;)	
TERESA M. NEWMAN; JORGE)	
SAAVEDRA; SAMATHA M.)	
SCHEIBNER; MICHAEL C. TOBIAS;)	
WESTERN HERITAGE INSURANCE)	
MARKETING GROUP; and LISA D.)	
GONZALES;)	
)	
Respondents.)	
)	

This Consent Agreement (Agreement) is entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the

Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Terry M. Alvarado (Respondent). The Final Order (Order) is issued by the authority of the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner).

RECITALS

WHEREAS, the CSI alleged in the Notice of Proposed Agency Action and Opportunity for Hearing (NOPAA) in this matter that Respondent did not fully explain all material terms of short term medical insurance policies to some insureds;

WHEREAS, the CSI alleged in the NOPAA that Respondent sold insurance policies to Montana residents before being properly licensed in Montana;

WHEREAS, the CSI alleged in the NOPAA that Respondent sold insurance policies from HCC Life Insurance Company and Starr Indemnity & Liability Company without being properly appointed by those insurers;

WHEREAS, Respondent is no longer a licensed insurance producer in the State of Montana;

WHEREAS, Respondent alleges that he was a salaried employee, and did not receive any commission from his insurance sales;

WHEREAS, Respondent alleges that HII's computer system was supposed to only allow him to sell policies in locations where he was properly licensed and appointed;

WHEREAS, Respondent alleges that he no longer works with HII, and no longer sells major medical health insurance policies;

WHEREAS, Respondent alleges that he is semi-retired, is on a fixed income, and recently had a kidney transplant;

WHEREAS, the CSI and Respondent agree that the best interests of the parties and the public would be served by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and Respondent agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

I. Respondent stipulates and consents to the following:

A. Respondent neither admits nor denies the allegations contained in the NOPAA;

B. Pursuant to MCA § 33-1-1102, Respondent agrees to pay \$1,000.00 in total to the claim administrator Dahl Administration, LLC, (Dahl) as part of a fund for to the benefit of Montana insureds who purchased short-term medical insurance from HII. The claim and validation process shall be set by the CSI, and processed by Dahl. The \$1,000 shall be paid in installments of \$200 each month for five months of the execution of this Agreement. The first payment shall be due within 10 business days of the execution of this Agreement, and the four subsequent payments shall be due by the 10th of each following month. Each payment shall be made by check payable to “Health Insurance Innovations Restitution Fund” and sent to:

Dahl Administration, LLC
Attn: Jeff Houdek
6465 Wayzata Blvd., Ste. 420
Minneapolis, MN 55426

Proof of each payment shall be sent to:

Montana State Auditor’s Office
c/o Legal Department
840 Helena Ave.

Helena, MT 59601
lmonroe@mt.gov

C. Respondent agrees that should he seek to reapply for an insurance producer license in Montana, that he will obtain not less than 6 hours of supplemental continuing education credit, consisting of at least one class in the area of ethics and another in the area of health insurance sales, and provide proof of this additional training with his insurance producer application.

D. Should Respondent transact or sell any insurance policies to Montana residents, Respondent agrees to provide to the CSI a report of the number and type of policies sold. These reports are due at least quarterly, as necessary, during the two year period beginning after the first sale of a policy to a Montana resident, following the effective date of this Agreement. Reports should be mailed or emailed to:

Montana State Auditor's Office
c/o Legal Department
840 Helena Ave.
Helena, MT 59601
lmonroe@mt.gov

E. Respondent agrees to not commit any violations of the Code. Specifically, Respondent agrees that he will ensure that he is properly appointed by any insurers before selling any of their insurance products. Respondent further agrees that he will ensure that others do not sell insurance policies and attribute those policies to Respondent's insurance producer license.

F. Respondent fully and forever releases and discharges the Commissioner, the CSI, and all of the CSI's employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this action.

G. Respondent specifically and affirmatively waives his right to a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq., and elects to resolve this matter with this Agreement.

H. Respondent acknowledges that he was advised of the right to be represented by legal counsel and if represented by legal counsel, that such legal representation was satisfactory.

I. Respondent acknowledges that he enters into this Agreement voluntarily and without reservation.

II. All parties to this Agreement stipulate and consent as follows:

A. The Commissioner and the CSI have jurisdiction over the subject matter of this matter.

B. This Agreement is entered without adjudication of any issue of law or fact. This Agreement covers only the factual allegations addressed above and alleged in the NOPAA. It is entered into solely for the purpose of resolving the CSI's allegations and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against Respondents, limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

C. The applicable statute of limitations is tolled for two years from the date of execution of this Agreement with regard to the allegations in the Recitals or the NOPAA. In the event Respondents violate the terms of this Agreement at any time before the applicable statute of limitations has run, the CSI reserves the right to seek any additional administrative penalties or further regulatory action.

D. This is the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondents to enter into this Agreement.

E. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing, with the same formality as this Agreement, to be effective.

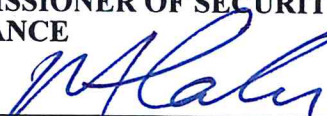
F. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner.

G. This Agreement shall be effective upon signing of the Final Order.

H. The Agreement is a public record under Montana law and, as such, may not be sealed or otherwise withheld from the public.

DATED this 17th day of September, 2018.

**OFFICE OF THE MONTANA STATE
AUDITOR,
COMMISSIONER OF SECURITIES AND
INSURANCE**

By: 
MICHAEL A. KAKUK
BENJAMIN TILLER
Attorneys for the CSI

DATED this 19 day of July, 2018.

By: 
TERRY M. ALVARADO


FINAL ORDER RE:

TERRY M. ALVARADO

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 33-1-101 et seq.,
and upon review of the foregoing Consent Agreement, and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and
Respondent Terry M. Alvarado is adopted as if set forth fully herein.

DATED this 20 day of September, 2018.

By: 
MATTHEW M. ROSENDALE, SR.
Montana State Auditor,
Commissioner of Securities and Insurance